

ORDINANCE NO. _____, SERIES 2007

**AN ORDINANCE AMENDING AND RE-ENACTING LOUISVILLE
METRO CODE OF ORDINANCES (LMCO) CHAPTER 121 RELATING
TO HOTELS, MOTELS AND SIMILAR BUSINESSES.**

Sponsored By: COUNCILMEN KRAMER, BLACKWELL AND DOWNARD

**BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS
FOLLOWS:**

SECTION I: LMCO Chapter 121 is hereby amended and re-enacted as follows:

§ 121.01 LEVY OF TAX.

(A) Pursuant to KRS 91A.390(1), there is hereby imposed and levied a transient room tax of 3% of the rent for every occupancy of a suite, room or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses.

(1) A portion of the money collected from the imposition of this tax, as determined by the Metro Council, upon the advice and consent of the Louisville and Jefferson County Visitors and Convention Commission (the "Commission"), may be used to finance the cost of acquisition, construction, operation and maintenance of facilities useful in the attraction and promotion of tourist and convention business, including projects described in KRS 65.7075. The balance of the money collected from the imposition of this tax shall be used for the purposes set forth in KRS 91A.350. Proceeds of the tax shall not be used as a subsidy in any form to any hotel, motel or restaurant, except as provided in KRS 65.7075. Money not expended by the

Commission during any fiscal year shall be used to make up a part of the Commission's budget for its next fiscal year.

(B) Pursuant to KRS 91A.390(4), there is hereby imposed and levied an additional transient room tax of 1.5% of the rent for every occupancy of a suite, room or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses. All monies collected from this additional transient room tax shall be used for the purpose of funding additional promotion of tourist and convention business.

(C) Pursuant to KRS 153.440, in addition to the 4.5% transient room tax authorized by subsection (A) and (B) hereof, there is also imposed and levied an additional transient room tax of 1% of the rent for every occupancy of a suite, room or rooms, charged by all persons, companies, corporations or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses. All monies collected from the 1% transient room tax authorized by this subsection (C) shall be turned over to the Kentucky Center for the Arts Corporation, and shall be used to defray operating costs of the Kentucky Center for the Arts.

(D) Pursuant to KRS 91A.392, in addition to the 4.5% transient room tax imposed by subsection (A) and (B) hereof and the 1% transient room tax imposed by subsection (C) hereof, there is hereby imposed an additional transient room tax of 2% of the rent for every occupancy of a suite, room or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing

business as motor courts, motels, hotels, inns or like or similar accommodation businesses.

(1) All money collected from the 2% transient room tax imposed by this subsection (D) shall be applied for the sole and exclusive purpose of retiring Dedicated Tax Revenue Bonds (the "Bonds"), in one or more series, issued by the Louisville & Jefferson County Visitors and Convention Commission, doing business as the Greater Louisville Convention & Visitors Bureau (the "Commission") not to exceed a principal amount sufficient to provide \$35,000,000 in net bond proceeds (the "Net Bonds" or "Commission Contributions") after deducting amounts required for debt service reserves, underwriters discounts, capitalized interest, bond, title insurance and related costs of issuance; said Commission's contribution shall be paid to the Commonwealth of Kentucky in order to supplement the Commonwealth's contribution of \$25,000,000 for the expansion of the Commonwealth Convention Center (the "Project") and to the payment of the hereinafter identified Subordinate Bond.

(2) In addition to the bonds issued to fund the Commission's Contribution, the Commission has issued its Dedicated Tax Revenue Bond in the principal amount of \$5,337,124.33 to the City of Louisville Public Properties Corporation (the "Public Properties") in exchange for the conveyance of the site of the Project to the Commonwealth (the "Subordinate Bond"); said Subordinate Bond has been issued for a term concurrent with the Bond and said Bond shall be subordinate as to security and source of payment with any Bonds designated by the Commission as Senior Series Bonds.

(3) The Metro Council covenants the additional 2% transient room tax authorized by this subsection (D) shall remain in full force and effect while any Bonds, and the Subordinate Bond, are outstanding, provided, however, that upon either (i) the end of 30 years or (ii) the retirement of all bonds, whichever comes first, the 2% transient room tax authorized by this subsection shall terminate and Metro Council shall take appropriate action to repeal it, all in conformity with KRS 91A.392(3).

§ 121.02 PAYMENT OF TAX.

(A) The transient room taxes imposed by § 121.01 shall apply to the rent for every occupancy by transient guests who occupy one or more suites or rooms in motor courts, motels, hotels, inns or like or similar accommodations businesses for a consecutive period of 30 days or less.

(B) All persons, companies, corporations or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses shall pay the cumulative transient room taxes (the "taxes") imposed by § 121.01 to the Metro Revenue Commission (the "Revenue Commission") or such other agent as may be designated by the Mayor as collecting officer for the Louisville Metro Government. Said Revenue Commission is authorized to adopt appropriate regulations pertaining to the implementation and enforcement of the taxes imposed by § 121.01 and to take all appropriate actions to collect and enforce payment of the taxes.

(C) The payment of taxes imposed by § 121.01 and a monthly return on a form prescribed by the Revenue Commission shall be submitted for the monthly

periods ending on the final day of each month of the calendar year, on or before the last day of the month following the month of the tax collection.

§ 121.03 LATE PAYMENT PENALTY.

Any person who is required hereby to pay the taxes imposed by § 121.01 on rents charged for occupancies of one or more rooms or suites who fails to pay the taxes on or before the date due shall be assessed a penalty of 5% of the unpaid amount of the tax whether or not the required return for the applicable period has been timely filed and, in addition, shall pay simple interest at the rate of 12% per annum calculated on a daily basis from the date the payment was due until the date of payment. In addition, any person who fails to file the monthly return required hereby shall be charged a penalty of 5% per month or fraction of a month of the amount of the unpaid tax which said return, if properly completed and filed, would have shown to be due, provided, however, that the penalty shall not exceed 25% of the amount of the unpaid taxes.

§ 121.04 INCOMPLETE, FALSE OR FRAUDULENT RETURN; FAILURE TO MAKE RETURN; PENALTY.

Any person who shall knowingly make any incomplete, false or fraudulent return or who shall willfully fail to timely make any return required by § 121.03(C), shall be guilty of a misdemeanor punishable by a fine not to exceed \$100 or imprisonment not to exceed 50 days, or both. The Revenue Commission, acting through its designee is authorized to initiate criminal action, when appropriate, against any person, corporation, or entity that withholds transient room taxes from one or more transient guests within the Louisville Metro area and fails to remit such withheld tax to the Revenue Commission. The penalty imposed by this section shall be in addition to any penalties imposed by 121.03.

121.05 Definition of Person

The term “person” is defined for purposes of this ordinance section to mean every natural person, fiduciary, partnership, association or corporation, resident or nonresident.

§ 121.98 SEVERABILITY.

If any provision of this chapter as now or later amended or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

SECTION II: This Ordinance shall take effect upon its passage and approval.

Kathleen J. Herron
Metro Council Clerk

Rick Blackwell
President of the Council

Jerry E. Abramson
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Irv Maze
Jefferson County Attorney

BY: _____